



EUROSAI
FINANCIAL RULES



Approval by the Governing Board: 30-05-2013
1st update by the Governing Board: 13-06-2016
2nd update by the Governing Board: 25-05-2017
3rd update by the Governing Board: 14-03-2018
4th update by the Governing Board: 14-04-2021

INDEX

INTRODUCTION	5
CHAPTER I – EUROSAI’S FINANCIAL MANAGEMENT	6
1.1. <i>EUROSAI’s financial management principles</i>	6
1.2. <i>Planning and Programming</i>	6
1.3. <i>Budgeting</i>	7
1.4. <i>Budget Execution and Accounting</i>	7
1.5. <i>Internal Control</i>	7
1.6. <i>External Audit.....</i>	7
CHAPTER II – EUROSAI BUDGET.....	8
II.1. <i>Budgetary principles</i>	8
II.1.1. <i>Principle of unity.....</i>	8
II.1.2. <i>Principle of trienniality</i>	8
II.1.3. <i>Principle of equilibrium.....</i>	9
II.1.4. <i>Principle of unit of account.....</i>	9
II.1.5. <i>Principle of universality</i>	9
II.1.6. <i>Principle of specification.....</i>	9
II.1.7. <i>Principle of transparency.....</i>	9
II.2. <i>Establishment of the budget</i>	10
II.3. <i>Contents and structure of the budget document.....</i>	10
CHAPTER III – IMPLEMENTATION OF THE BUDGET	11
III.1. <i>Responsibility for implementing the budget</i>	11
III.2. <i>Revenue operations.....</i>	11
III.2.1. <i>EUROSAI Members’ contributions</i>	11
III.2.2. <i>Contribution of the EUROSAI Secretariat</i>	12
III.2.3. <i>External funding</i>	13
III.3. <i>Expenditure operations</i>	13
III.3.1. <i>Procedure for application and granting of funds from Chapter 2 of EUROSAI budget</i>	14
III.3.2. <i>Amount of financial subsidies from the EUROSAI budget</i>	16
III.3.3. <i>Justification of financial subsidies from EUROSAI budget</i>	16

CHAPTER IV - ACCOUNTING AND FINANCIAL STATEMENTS	17
IV.1. <i>Accounting system</i>	17
IV.2. <i>Accounting books</i>	18
IV.3. <i>Financial Statements</i>	18
CHAPTER V – EUROSAI EXTERNAL AUDIT	19
V.1. <i>EUROSAI Auditors</i>	19
V.2. <i>Appointment and duration of the mandate</i>	20
V.3. <i>Conduct of the external audit</i>	20
V.4. <i>Audit Report and Management Letter: opinion and recommendations</i>	21
CHAPTER VI – FINANCIAL REPORTING	21
VI.1. <i>Reporting to the Governing Board</i>	21
VI.2. <i>Reporting to the Congress and approval of the EUROSAI financial management</i>	22
CHAPTER VII – APPROVAL AND AMENDMENT OF THE EUROSAI FINANCIAL RULES	22
VII.1. <i>Approval</i>	22
VII.2. <i>Amendment</i>	23
ANNEX I.....	24
STRUCTURE OF EUROSAI BUDGET	24
ANNEX II.....	25
MEMBERSHIP CONTRIBUTION TO EUROSAI	25
ANNEX III.....	26
ELEGIBILITY CRITERIA	26

INTRODUCTION

The “EUROSAI Financial Rules” (EFR) were originally approved by the Governing Board in May 2013 and drafted in line with the EUROSAI Statutes and Standard Procedures. They had the purpose of collecting and consolidating the diverse financial guidelines issued so far, while at the same time adapting them to EUROSAI’s strategic goals and structure at that time (those of the EUROSAI Strategic Plan (ESP) 2011-2017).

The EFR was updated in June 2016 to clarify the criteria for granting and prioritising financial requests (rules 43 & 50 were amended). A year later, in May 2017 and following the endorsement by the Congress of the ESP 2017-2023, the EFR had to be amended as a result of the new strategic goals and governance structure of the ESP and the ensuing new structure of budget; as a result, a transitional provision (rule 79) was included and Annex I “Structure of the EUROSAI budget” was amended, thus ensuring the coherence between the EFR and the new structure of EUROSAI and its budget.

The Project Group on “EUROSAI Regulations”, under the “Overall Governance and Culture” portfolio of the ESP 2017-2023 and led by the EUROSAI Secretariat, i.e., the Spanish Court of Audit, took on the update of the EFR and adapted in 2018 the EFR to properly reflect the Organisation’s structure and distribution of powers among bodies. The EFR was updated again in 2021, with the main purpose of implementing some decisions made by the Governing Board, related to the enhancement of the transparency of the financial information and to the admission of a new member in EUROSAI.

CHAPTER I – EUROSAI’S FINANCIAL MANAGEMENT

I.1. EUROSAI’s financial management principles

Rule 1

The “EUROSAI Financial Rules” contain the principles, policies and procedures that govern EUROSAI’s financial management. They should be considered in conjunction with EUROSAI’s regulatory framework, which is composed of its Statutes, Standard Procedures, Strategic Plans and the decisions of the Congress and the Governing Board. For any aspect relating to financial management which is not expressly defined by this regulation, the aforementioned regulatory framework shall apply.

Rule 2

The EUROSAI’s financial management system shall ensure that resources are:

- used efficiently and effectively;
- properly accounted for; and
- used for the purpose intended.

The financial management system shall ensure the production of reliable and useful financial information to assist EUROSAI’s bodies in their decision taking.

Rule 3

The EUROSAI’s financial management system shall include the following areas:

- planning and programming;
- budgeting;
- budget execution and accounting;
- internal control;
- external audit.

I.2. Planning and Programming

Rule 4

The Strategic Plan contains the goals and objectives set by the Congress for EUROSAI. Sufficient, rational and balanced financing is needed to ensure that the defined strategies, key activities and projects can be delivered effectively. The planning of EUROSAI’s financial needs is designed on a three-yearly basis, through the drafting of the budget.

1.3. Budgeting

Rule 5

The budget's primary objectives are to support the ordinary operations of EUROSAI and to provide financing for the implementation of its Strategic Plan.

1.4. Budget Execution and Accounting

Rule 6

The Secretariat shall implement the budget on an annual basis. It shall also maintain the related accounting records and prepare the financial documents necessary for proper accountability and decision making by the other EUROSAI bodies.

1.5. Internal Control

Rule 7

The financial management system shall also include efficient and effective internal controls, which shall be consistent with the INTOSAI GOV on Internal Control. The Secretariat shall implement methods and procedures adopted to ensure that resources are used in accordance with the provisions of these rules and in a manner consistent with the goals and objectives of EUROSAI, and its Statutes.

1.6. External Audit

Rule 8

An external audit shall be conducted on an annual basis to provide EUROSAI members and other stakeholders with assurance on the completeness and accuracy of financial information, and to provide information on the efficiency and effectiveness of operations to management. Further rules are laid down in Chapter V of this document.

CHAPTER II – EUROSAI BUDGET

II.1. Budgetary principles

Rule 9

The EUROSAI budget shall be established and implemented in accordance with the principles of unity, trienniality, equilibrium, unit of account, universality, specification and transparency.

II.1.1. Principle of unity

Rule 10

The budget shall present an estimate of revenue and expenses and shall determine the level of resources available to reach EUROSAI's strategic and operational objectives.

Rule 11

The revenue shall comprise the members' contribution and any other revenues. Expenditure shall comprise the operating expenses as well as expenditure financed by the EUROSAI budget for the implementation of the Strategic Plan. No revenue shall be collected and no expenditure effected unless booked to a line in the budget.

II.1.2. Principle of trienniality

Rule 12

In accordance with the Statutes, the EUROSAI budget covers the period between two ordinary Congresses (three years), beginning on January 1 of the year following a Congress and ending on December 31 of the year the next Congress takes place.

Rule 13

The funds which have not been used at the end of the three-year period of the budget will be registered in the Welfare Fund¹. Any use of the Welfare Fund other than to cover operating expenses needs the Governing Board's approval.

¹ The Welfare Fund is the account where any credit surpluses from the previous years remaining at the end of the period of the budget are registered. This account is included in the Net Equity of the balance.

II.1.3. *Principle of equilibrium*

Rule 14

Budget revenue and expenditure must be balanced. Expenditure must not exceed the amount of revenue.

II.1.4. *Principle of unit of account*

Rule 15

The budget shall be established and implemented in euro and the financial statements shall be presented in euro.

II.1.5. *Principle of universality*

Rule 16

Total revenue shall cover total expenditure, with the exception of revenue assigned to specific items of expenditure. All revenue and expenditure shall be entered in full without any netting off.

II.1.6. *Principle of specification*

Rule 17

The proposed budget shall be based around chapters and, if applicable, with individual budget lines used for different types of income and expenditure within each chapter.

Rule 18

The transfer of funds between budget chapters shall be approved by the Governing Board. The transfer of funds between budget lines (articles) within the same chapter shall be approved by the Secretary General.

II.1.7. *Principle of transparency*

Rule 19

The budget shall be established and implemented, and the financial statements presented and published, in compliance with the principle of transparency. Once approved by the Congress, an extract of the budget and a summary of the financial statements shall be published on the

EUROSAI website. Moreover, the full document of the financial statements will be available for members in a restricted area of the website.

II.2. Establishment of the budget

Rule 20

The Secretariat shall prepare and submit the draft triennial budget to the Governing Board for review and discussion.

Rule 21

After discussing the proposed budget, the Governing Board shall endorse the draft budget, with the necessary amendments, if any, and shall submit it to the Congress.

Rule 22

The Congress shall approve the budget.

II.3. Contents and structure of the budget document

Rule 23

The budget shall comprise a statement of revenue and a statement of expenditure. It shall show an estimate of revenue and expenditure for each year of the triennial period in question, with comparatives shown for the previous triennial period. The budget document shall include a brief statement on the main changes compared with the previous triennial period, and any annexes or statements the Secretary General deems necessary and useful.

Rule 24

The estimated revenue and expenditure shall be divided into chapters and articles, classified according to their nature, following the activities of EUROSAI (see Annex I):

In the statement of expenditure:

- Chapter 1 “Operating expenses” shall include expenditure on the ordinary operations of EUROSAI; and
- Chapter 2 “Implementation expenses of the Strategic Plan” shall include expenditure on the activities and projects launched for the implementation of the Strategic Plan’s goals and governance enhancements.

In the statement of revenue:

- Chapter 1 “Contributions” shall include revenues from the contributions of the members, according to the existing contribution groups; and
- Chapter 2. “Other income” shall include, where relevant, any other income expected.

CHAPTER III – IMPLEMENTATION OF THE BUDGET

III.1. Responsibility for implementing the budget

Rule 25

In accordance with the Statutes, the Secretariat shall implement the budget. The budget shall be executed attending to EUROSAI’s needs. If deemed appropriate funds shall be invested according to prudent investment practices until they are needed. Any procurement process necessary to implement the budget is carried out according to the Secretariat country’s legislation.

III.2. Revenue operations

Rule 26

EUROSAI’s main source of income is its members’ contributions. Apart from these contributions, EUROSAI may also be financed through grants, donations or any other kind of contribution from national or international entities or individuals; from the proceeds of the sale of publications and other activities of EUROSAI; and by means of any other income.

III.2.1. *EUROSAI Members’ contributions*

a) Basis for contributions

Rule 27

The Secretariat will propose to the Governing Board the amount of the contributions for the following triennium and, following its debate, the resulting proposal will be submitted to the Congress. As foreseen in the Statutes, the Congress approves the contributions. On an exceptional basis and if circumstances make it advisable, during the inter-Congress period the Governing Board, in consultation with the EUROSAI members, might approve that annual members’ contributions are totally or partially financed by the cumulative surplus registered in the Welfare Fund.

Rule 28

Members' contributions are grouped into four contribution groups by application of the development scales assigned to each country by the United Nations (UN) with the sole exceptionality set out in Annex II. Annex II shows the four contribution groups in which members SAI are assigned.

b) Billing procedure

Rule 29

The Secretary General shall notify each member of their annual contributions at the beginning of each calendar year, issuing an invoice to that end. For those members in arrears, the Secretary General shall note this in the same invoice and add the amount overdue to the current year's assessment.

c) Payment and receipt of membership contributions

Rule 30

Payments are due to the Secretariat no later than 31st March and shall be made by a transfer to the bank account notified by the Secretary General. Any bank charges should be borne by the payer institution. All payments shall be effected in euro. The Secretary General shall acknowledge receipt of payment of contributions by letter.

d) Late payment of contributions

Rule 31

The Secretary General shall send reminder letters to members who have not paid their membership contributions by 1st July.

III.2.2. *Contribution of the EUROSAI Secretariat*

Rule 32

As foreseen in the Statutes, the SAI of the Secretariat country, the Spanish Court of Audit, shall provide and pay for the necessary staff and premises for the ordinary management of the Secretariat. These ordinary expenses are the estimated salaries of the personnel that take part in the EUROSAI Secretariat activity, the hosting/maintenance of the website of the Organisation, as well as running expenses (electricity, premises, telephone and fax) and IT equipment. These expenses of the Secretariat are not included in the EUROSAI budget. In addition, the EUROSAI Secretariat might be supported by staff secondments from EUROSAI Members, which can be partially financed from the EUROSAI budget.

III.2.3. External funding

Rule 33

The following principles govern any external funding:

- EUROSAl's independence must be ensured;
- EUROSAl's activities must not be influenced by the external financing; and
- the external financing must not affect the objectives and priorities of EUROSAl, nor the activities of its Strategic Plan.

Rule 34

The external funding can adopt various forms:

- a) The granting of funds by an external party to EUROSAl, to be included in Chapter 2 of the income budget and used according to the terms previously agreed with the donor.
- b) Ad-hoc external financing for a specific EUROSAl activity.
- c) The co-financing by the respective parties of an activity carried out jointly by EUROSAl and another partner or stakeholder.

Rule 35

Any proposal regarding external financing shall be sent to the Secretary General by the entity responsible for the activity concerned or, if applicable, the donor. The Secretary General shall prepare a report on the proposal received and submit it to the Governing Board.

The Governing Board will decide on the opportunity of authorising the acceptance and use of external funding.

The entity responsible for using external funds in support of a EUROSAl activity shall send to the Secretary General a letter certifying that the funding received was used for the purpose for which it was granted, and provide the financial donor with any information or justification that may be requested.

III.3. Expenditure operations

Rule 36

The following rules apply to the authorisation of expenses of the EUROSAl budget:

- The appropriations adopted by the Congress for operating expenses (Chapter 1 of the budget) constitute a direct authorisation for the Secretary General to incur obligations and make payments under this chapter.
- Implementation expenses of the Strategic Plan (Chapter 2 of the budget) must be specifically authorised by the Governing Board, unless delegated.

Rule 37

The Secretary General shall authorise all payments to be made once the services or supplies have been provided and the invoice received, except in those cases in which the nature of the service requires its payment in advance (for instance, software licenses).

Rule 38

The funding which is not used during the current financial period may be added to the respective chapter's allocated funding of the next financial year within the current triennial budget.

Rule 39

In line with the Statutes, the cost resulting from each Congress meeting shall be borne by the hosting SAI, though the Congress can make a contribution to the SAI concerned. In this regard, the Secretariat will include in Chapter 1 of the draft budget a proposal for the abovementioned contribution. The contribution shall be paid to the beneficiary immediately after the Congress to which it refers is held.

III.3.1. Procedure for application and granting of funds from Chapter 2 of EUROSAI budget

Rule 40

The SAI responsible² for a particular EUROSAI activity can make a financial request following the provisions below.

Rule 41

The financial request can relate to an event (e.g., a meeting or training seminar) or to other types of activities:

- In the case of events, the EUROSAI budget can subsidise necessary expenses incurred in their organisation (such as rent of technical equipment, conference rooms or the hiring of interpretation services). Travel and accommodation costs shall usually be covered by each participating SAI. While expenses relating to social programmes (cultural visits, etc) shall not be covered by the EUROSAI budget, the hosting SAI may include in its financial request a small amount for covering participants' working meals, with a limit of the 20% of the budget of the event.
- In the case of activities, the budget can finance EUROSAI products and programmes (included staff secondment programmes).

² The SAI responsible is the host of the event or, in the case of a project, its leader.

Rule 42

The financial request will be sent to the Secretary General, in the form of a letter signed by the Head of the requesting SAI, which will be accompanied by a report explaining:

- the content, structure and full scope of the activity, indicating its connection to the Strategic Plan or respective Working Programme (in the case of an activity of a Working Group or Task Force);
- the amount requested;
- the planned budget, detailing the type of expenses that would be covered by the grant;
- as well as any other relevant information.

Rule 43

Requests for funding in the current financial year will be called three times a year, in early January (mainly, but not limited to, activities of the first quarter), early May (mainly, but not limited to, activities of the second quarter) and early September (for activities of the final quarter of the year) and, to that end, they should be sent to the Secretariat before the deadlines indicated in those calls. Requests made outside those deadlines will be processed, prior justification by the SAI of the circumstances which either impeded a timely claim or require an early approval of the grant. Claims for approval and reimbursement of costs already incurred may only be submitted on an exceptional basis, including an explanation of the circumstances that prevented a timely request.

Rule 44

The Secretariat will collect all financial requests and review them to verify their compliance with the rules (including the applicable eligibility criteria of Annex III.I. and, if applicable, the limits on subsidy amounts related to the hosting of events), as well as the availability of EUROSAI funds. The Secretariat will submit the report resulting from this compliance revision, together with the financial requests, to the Governing Board or, where applicable, the delegated body, for their approval.

Rule 45

According to the Standard Procedures, the Governing Board is the competent body to determine the financial backing for EUROSAI events and activities. The Governing Board may delegate the approval of financial requests related to Chapter 2 of the budget, except in the following cases:

- Subsidies for the hosting of EUROSAI events (included joint events with external partners) that surpass 15.000 euros.
- The financing of programmes set up by EUROSAI (e.g., staff secondments).
- Financial backing to non EUROSAI members (Rule 52).

Such delegations must be explicitly approved by the Governing Board, clearly indicating all applicable conditions, limits and/or requirements.

The competent authorizing body will adequately motivate its decision, in particular in those cases of either denial of the financial request or granting of an amount lower than the requested one.

Rule 46

Once the financial support is approved, the Secretariat shall notify it to the applicant SAI.

Rule 47

EUROSAI training activities can be totally or partially funded through participants' fees, provided that they only cover actual costs and are kept at a reasonable level.

III.3.2. Amount of financial subsidies from the EUROSAI budget

Rule 48

Taking as a basis the report from the Secretary General, the Governing Board or, if applicable, the delegated body shall decide on the opportunity and amount of the financial support, seeking to that end, when needed, an assessment on the suitability and prioritization of the financial backing.

Rule 49

As a rule, the limit of financial support for the hosting of EUROSAI events shall be 15.000 euros. If the amount requested exceeds this amount, the Secretariat will submit it to the Governing Board for consideration and approval.

III.3.3. Justification of financial subsidies from EUROSAI budget

Rule 50

During the two months following either the end of the subsidised activity or, if later, the notification of the subsidy, the beneficiary SAI must send a letter of justification to the Secretary General that will include the invoices of the expenses incurred. Invoices must be accompanied by the translation into English of the main concepts.

Rule 51

Once the justification is examined and accepted, the Secretariat will make the payment of the subsidy to the beneficiary SAI's bank account, informing the recipient SAI.

Rule 52

In the case of financial support provided to beneficiaries that are not members of EUROSAI for contributing to the performance of training or institutional capacity building programmes in the framework of the EUROSAI Strategic Plan, the Governing Board may establish a reinforced justification procedure, including the submission of an annual financial report to the EUROSAI Governing Board, through the Secretariat, on the use of the earmarked amount.

CHAPTER IV - ACCOUNTING AND FINANCIAL STATEMENTS

IV.1. Accounting system

Rule 53

In accordance with the Statutes, the Secretariat shall keep the accounting system and draw up the financial statements.

Rule 54

The EUROSAI accounting system shall give information on assets, liabilities, net assets, revenue and expenses for each financial year. It shall be based on the general accounting principles of the Secretariat's country and generally accepted accounting standards. In any case, the accounting system shall respect the following principles:

- a) **Going concern:** EUROSAI shall be viewed as a going concern, that is, as continuing in operation for the foreseeable future. It is assumed that EUROSAI has neither the intention nor the necessity of liquidation or of curtailing materially the scale of its operations.
- b) **Uniformity:** Once adopted a criterion within the alternatives that, if applicable, the General Accounting Plan allows, it must be maintained over time and applied in a uniform manner as long as the assumptions that motivated its election are not altered. If these assumptions are altered, the criteria adopted at the time may be modified; in such case, these circumstances will be duly explained in the financial report.
- c) **Accrual Basis:** Revenues and expenses shall be recorded with the accrual basis of accounting, under which transactions and other events are recognized when they occur. Therefore, transactions and events shall be assigned to the periods to which they relate.
- d) **Offsetting:** Assets and liabilities, and revenue and expenses, shall be reported separately.

Rule 55

The Secretariat shall record, in chronological order using the double entry method, all events and operations which affect the economic and financial situation and the assets and liabilities of EUROSAI.

Rule 56

All supporting records and documents shall be filed in chronological order. The receipts of expenses as well as income shall be duly filed and kept at the EUROSAI Secretariat during 6 years, and ordered according to the entry number with which they were registered into the accounting system.

Together with the authorisation and justification documents of the payments, the supporting records related to Chapter 2 expenses will also include the documents related to the authorisation of such expenses.

Rule 57

Appropriate accounting controls shall be instituted to ensure that all transactions are identified and properly authorised and supported.

IV.2. Accounting books

Rule 58

The accounting system shall comprise a Journal and a General Ledger to classify, summarize and maintain asset, liability and net assets account balances, and an Auxiliary Bank Book to record bank movements.

IV.3. Financial Statements

Rule 59

The financial statements for each financial year (a 12-month period, beginning on January 1 and ending on December 31) must be complete and accurate and present a true and fair view of the financial position and financial performance of EUROSAI. They shall be presented in euro and shall comprise of:

- a) the Balance Sheet, which shows the assets, liabilities and net assets at the end of the year;
- b) the Statement of Revenues and Expenses setting out all revenue and expenses for the financial year, and recording any deficit or surplus;
- c) the Statement of Changes in Net Assets, optional for EUROSAI given the reduced volume of transactions, which reports on all the changes occurred in net assets

- deriving from the surplus or deficit for the year in the statement of revenue and expenses, the variations originated by operations with partners (members), the effects of changes in accounting policies and corrections of errors, and the remaining variations that have taken place in net assets;
- d) the Settlement Statement of Expenses Budget showing the distribution of expenditure by budgetary item, as well as the budget execution; and
 - e) the Settlement Statement of Income Budget, which provides information on the initial budget, changes introduced during the financial year and the final budget at the end of the year, as well as cancelled contributions, contributions pending collection and paid-up contributions.
 - f) Financial Report, comprising the information which is necessary to enable a correct interpretation of the other financial statements.

Comparative information shall be disclosed in respect of the previous period for the main figures reported, as well as for narrative and descriptive information when it is relevant to an understanding of the financial statements.

Rule 60

The Secretary General shall accompany the financial statements with:

- a certificate, in which he/she must certify that the financial statements for each year have been drawn up in conformity with the established standards and that they provide a true and fair view of the results of the operations and of the financial situation of EUROSAI; and
- a certificate in which he/she shall quantify the Spanish Court of Audit's contribution to the expenses of the Secretariat not included in the EUROSAI budget.

CHAPTER V – EUROSAI EXTERNAL AUDIT

V.1. EUROSAI Auditors

Rule 61

In accordance with the Statutes, two different SAI members of EUROSAI shall audit the financial statements and financial management of the Organisation and report to the Governing Board and to the Congress.

Rule 62

The two Auditors shall be selected from SAIs that are not members of the Governing Board.

V.2. Appointment and duration of the mandate

Rule 63

The Congress is the body competent to appoint the Auditors of EUROSAI. To that end, the Governing Board will submit a proposal to Congress.

When proposing SAIs for election by Congress as Auditors, the Governing Board shall consider the capacity of SAIs to undertake the audits in compliance with these Financial Rules, and with the EUROSAI Statutes.

The auditors shall neither receive any fees nor refund of travel costs for their audit activities. In exceptional cases, the Governing Board may, on request, grant a contribution towards the auditors' travel costs.

Rule 64

Each Auditor's mandate is for three years, which includes the financial year in which the Auditors are appointed by the Congress and the subsequent two years.

V.3. Conduct of the external audit

Rule 65

The Auditors shall appoint officers from their respective SAIs to carry out the audit. It falls to the Auditors to conduct an audit of the accounts and of the related documents kept by the Secretariat, for each year of the three-year period for which they have been appointed.

Rule 66

The Secretariat shall supply to the Auditors all documents and information required for the performance of their duties and shall assist them in the fulfilment of their tasks, in accordance with the Statutes.

Rule 67

The Secretary General must send each of the Auditors a certified copy of the financial statements for each year of the three-year period, in Spanish (the Secretariat country's language), as well as its translation into English. In case of discrepancies, the Spanish version shall prevail.

V.4. Audit Report and Management Letter: opinion and recommendations

Rule 68

It falls to the Auditors to draw up and sign a report sent to the Governing Board, stating whether the financial statements give a true and fair view of the net assets, financial situation and results of EUROSAI at the end of the year. Should the Auditors deem appropriate recommend good practices, these will be included in a Management Letter.

Both the content of the Audit Report and, if applicable, the Management Letter will be discussed with the Secretariat, prior to their delivery.

Rule 69

The report which the Auditors have to draw up on the financial statements for each of the three years stated has to declare:

- a) whether in their opinion, the said financial statements are based on adequate accounts records and documentation;
- b) whether the said financial statements agree with the corresponding accounts records and documentation;
- c) whether the income, expenses and investments made during the year, as well as the acquisition and sale of assets have been properly authorised; and
- d) any other matter arising from the auditing carried out concerning which the Auditors consider that the Governing Board ought to be informed.

Rule 70

The Auditors shall present their reports for each of the three financial years to the Congress. Once presented to the Congress, the auditors' reports will be published on the EUROSAI website.

CHAPTER VI – FINANCIAL REPORTING

VI.1. Reporting to the Governing Board

Rule 71

The Secretary General shall present to the Governing Board the financial statements and the Auditors' report.

Rule 72

The Annual Financial Report shall contain, together with the Secretary General certificates regarding the financial statements and the General Secretariat contribution described in Rule 60, information on EUROSAI's activities during the year ended. In particular, it shall inform about:

- the execution of the budget;
- the transfers of funds between budget chapters and lines authorised;
- the evolution and movements of the Welfare Fund; and
- grants, donations or any other kind of contribution received from national or international entities or individuals.

VI.2. Reporting to the Congress and approval of the EUROSAI financial management

Rule 73

When a Congress takes place, the Secretary General must submit the financial statements and the Auditors' reports to the EUROSAI members, no later than 4 weeks in advance.

Rule 74

As foreseen in the Statutes, the Governing Board submits the financial statements, together with the Auditors' reports and its own comments to the Congress. The Congress is the competent body to approve the financial statements of EUROSAI.

CHAPTER VII – APPROVAL AND AMENDMENT OF THE EUROSAI FINANCIAL RULES

VII.1. Approval

Rule 75

The EUROSAI Financial Rules are approved by the Governing Board, in line with the Statutes, which establish that the Governing Board shall draft the directions for the preparation and presentation of financial statements by the Secretariat and for their audit by the Auditors.

VII.2. Amendment

Rule 76

Amendments and changes to these Financial Rules shall be made only upon approval by the Governing Board. Any proposal in this regard shall be made through the Secretary General by written procedure.

Rule 77

Annexes to these Financial Rules shall be modified as needed to reflect the current applicable instruments upon approval by the Governing Board. Any proposal in this regard shall be made through the Secretary General by written procedure.

ANNEX I

STRUCTURE OF EUROSAI BUDGET

EXPENSE BUDGET
CHAPTER 1. OPERATING EXPENSES
Art.1.1. Translations
Art.1.2. Communications
Art.1.3. Printed materials
Art.1.4. Representation
Art.1.5. EUROSAI Publications
Art.1.6. Others
Art.1.7. Website
Art 1.8. Contribution for hosting the Congress
CHAPTER 2. IMPLEMENTATION EXPENSES OF THE STRATEGIC PLAN
Art.1. Implementation of goals and governance enhancements
<i>TOTAL EXPENSES (CHAPTER 1 + CHAPTER 2)</i>

INCOME BUDGET
CHAPTER 1. CONTRIBUTIONS
Group I
Group II
Group III
Group IV
CHAPTER 2. OTHER INCOME
<i>TOTAL INCOME (CHAPTER 1+ CHAPTER 2)</i>

ANNEX II

MEMBERSHIP CONTRIBUTION TO EUROSAI

The following table contains membership contribution scheme of EUROSAI, as approved in the V Congress.

EUROSAI's contribution group ³	Annual contribution to EUROSAI in EUR	UN's scales range
Group I ⁴	6,950	≥ 2.001
Group II	3,887	1.000 to 2.000
Group III	1,498	0.050 to 0.999
Group IV ⁵	468	Up to 0.049

³ For further information on the classification of each country in these Groups, please consult the prevailing EUROSAI Budget at <http://www.eurosai.org/en/about-us/about-eurosai/regulations/>

⁴The European Court of Auditors, as supranational organisation, is allocated to Group I.

⁵ Since there is no available UN classification for Kosovo*, the National Audit Office of Kosovo* is allocated to Group IV using as reference the OECD Development Assistance Committee (DAC) List of Official Development Assistance (ODA) Recipients.

*This designation is without prejudice to positions on status and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

ANNEX III

ELEGIBILITY CRITERIA

The expenses that are eligible for receiving financing from the EUROSAI budget must relate to the type of activities included in rule 41. More guidance is described below:

A) Expenses related to EVENTS (training activities and EUROSAI meetings).

Examples of such type of expenses include the following:

- Rental of technical equipment, conference rooms, interpretation.
- Keynote speakers, experts (fees, travel and accommodation expenses⁶, meals).
- Rental of IT tools for E- seminars and e-meetings.
- Hospitality expenses: working meals (lunches, including coffee & water during the meetings and excluding dinners), with the limit indicated in Rule 41.

B) Expenses related to ACTIVITIES/TASKS:

Examples of such type of expenses include the following:

- Publications (including booklets and flyers).
- Videos.
- Translations.
- Staff secondment programmes.
- EUROSAI's website developments.
- Joint initiatives (except events) with other parties (INTOSAI bodies and Regional Organizations, IDI, external stakeholders such as ECIIA, et cetera).

All expenses must have their corresponding supportive documentation (including, where applicable, the corresponding invoice).

Financial costs deriving from commissions applied by the beneficiary's bank might not be included in the justification of the grant as an eligible expense. Indirect costs, such as staff salaries of the host, are not eligible.

⁶ Reasonable expenses (that means economic class for travel expenses and the same or similar hotel of participants for accommodation expenses).